

By Nicky D. Graenewald

### **GENERAL PROVISIONS**

Whereas, the AHCCCS Administration has, pursuant to Title 36, Chapter 29 of the Arizona Revised Statutes, a statutory obligation to provide Medicaid services to eligible persons including children with special education needs;

Whereas, the ADOE has, pursuant to Title 15, Chapter 7, Article 4 of the Arizona Revised Statutes, statutory obligations to ensure a free appropriate public education to students with special education needs;

Whereas, the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(12)(A)) requires each state to ensure that an interagency agreement or other mechanism for interagency coordination is in effect between the state educational agency and the state Medicaid agency;

Whereas, the AHCCCS Administration operates the State's Medicaid program under a waiver pursuant to section 1115 of Title XIX of the Social Security Act, which waiver permits the State, among other things, to limit the free choice of providers and deliver care through a system of capitated managed care organizations;

Whereas, the AHCCCS Administration and the Arizona Department of Education have determined that, at present, it is most advantageous to the State to meet its obligations under Part B of the IDEA by making payments to local educational agencies on a fee-for-service basis for a limited set of Medicaid covered services provided on-site by schools while designing and implementing a system that will be expanded to include a broader scope of services for which local educational agencies will be directly reimbursed on a fee-for-service basis for services provided by the local educational agency;

Whereas the AHCCCS Administration and ADOE have the authority to enter into intergovernmental agreements pursuant to ARS 11-952;

Therefore the parties agree to the following:

#### **I. Definitions**

- A. "Administration" means the AHCCCS.
- B. "ADOE" means the Arizona Department of Education.
- C. "AHCCC S" means the Arizona Health Care Cost Containment System as defined by ARS § 36-2903(A).
- D. "AHCCCS Covered Services" means those services set forth in ARS §§ 36-2907 and 36-2939 and Arizona Administrative Code Title 9 Chapter 22 Article 2 and Chapter 28 Article 2.
- E. "Contractor" means Contractor as defined by AAC R9-22-101 and R9-28-101 as well as the Children's Rehabilitative Services Program and Regional Behavioral Health Authorities under contract with ADHS to the extent that the Children's Rehabilitative Service Program and the Regional Behavioral Health Authorities are obligated by contract with the Administration to provide services to Title XIX eligible children.
- F. "EVS/IVR system" means Eligibility Verification System/Integrated Voice Response that is AHCCCS' automated electronic eligibility verification system.
- G. "HCBS" means Home and Community Based Services as defined by ARS § 36-2939(B)(2) and (C).
- Ii. "IEP" means an individualized education program as defined at ARS § 15-761(10).
- I. "LEA" means the local education agency as defined by 20 U.S.C. § 1402(15).
- J. "PCP" means primary care provider as defined by A.A.C. R9-22-102(18).
- K. "Qualified Child" means a child between the ages of 3 and 22 years of age who has been determined by AHCCCS to be eligible under Title XIX of the Social Security Act and who has been determined by the LEA to be eligible for special education and related services.

### GENERAL PROVISIONS

- L. 'Qualifying Service" means an AHCCCS covered service that is medically necessary for a qualified child and is also a special education or related service included in the qualified child's IEP.
- M. "Related service" means those services defined by 34 CFR 300.24.
- N. "Special education service" means those services defined by 34 CFR 300.26.

#### ii. Financial Responsibility

- A. In General. As set forth in this Agreement, the financial responsibility of the AHCCCS shall precede the financial responsibility of the LEA with respect to the provision of qualifying services.
- B. Fee for Service Payments to LEAs.
  - 1. For dates of service on or after July 1, 2000, the Administration, through the Third Party Administrator designated by the Administration, shall reimburse participating LEAs the federal Medicaid contribution, less an administrative fee established by the Administration, for the qualifying services specifically described in Appendix A of this Agreement.
  - 2. The Administration, in consultation with the ADOE, will identify on an on-going basis additional appropriate qualifying services that will be added to the direct fee-for-service payment methodology described in this Agreement. Additions to qualifying services eligible for direct fee-for-service reimbursement to LEAs will be made through revisions to the AHCCCS Medical Policy Manual.
- C. Services Provided through Contractors. With respect to qualifying services other than those identified in Section 11 Paragraph B and Appendix A (and any additional services identified through amendments to the AHCCCS Medical Policy Manual concerning Medicaid services in public schools), the Administration, through its Contractors, shall provide all other qualified services to qualified children.
- D. Limitations on Financial Responsibility.  
*Service's Effecting HCBS Eligibility:* Neither the Administration nor any Contractor is responsible to provide or reimburse the LEA for any AHCCCS covered related service that, if provided in addition to the AHCCCS covered services received by the member, would render the member ineligible for HCBS because the cost effectiveness requirements of AAC R9-28-510, as implemented through the AHCCCS Medical Policy Manual, were exceeded.

#### III. Conditions and Terms of Reimbursement to LEAs

- A. In General
  - 1. Every provider of qualified services shall meet applicable licensure requirements, shall be registered with the Administration, and shall sign a Provider Agreement as required by the Administration.
  - 2. All claims shall be submitted in accordance with State and Federal law and the Fee-For-Service Provider Manual.
  - 3. All qualifying services shall be medically necessary as set forth in Arizona Administrative Code R-22-101(B)(37).
  - 4. All qualifying services shall be ordered or prescribed by either a physician licensed pursuant to A.R.S. Title 32, Chapters 13 or 17, or by other licensed practitioners who are authorized in accordance with federal and state laws and who are recognized by AHCCCS.
  - 5. Qualifying services shall be prescribed and provided in accordance with the AHCCCS Medical Policy "Manual.
  - 6. All qualifying services shall be provided on school grounds unless the IEP specifies an alternative setting where educational services are also provided.
- B. Fee for Service. and after January 15, 2001, claims shall be submitted by school districts and individual charter schools that are not affiliated with a school district that are registered as group billing entities for registered providers employed by or contracted with the LEAs, subject to the following terms:

### **GENERAL PROVISIONS**

1. Claims may be submitted for the services identified in Section II, Paragraph B.
  2. Claims shall be submitted to and paid through the Third Party Administrator designated by the Administration.
  3. The LEA shall be reimbursed an amount equal to the appropriate Federal Medical Assistance Percentage multiplied by the lesser of the fee-for-service rate adopted by the Administration for the qualifying service or the amount billed by the provider, less an administrative fee as set forth in the contract between the Administration and the Third Party Administrator.
  4. LEAs and providers under contract with LEAs shall comply with the provisions of 42 CFR 433.139 relating to the third party liability. The financial obligation of AHCCCS to cover qualifying services does not precede the obligation of potentially liable third parties. Failure on the part of LEAs or their contracted providers to pursue third party liability as required by federal law will result in the denial of the claim.
  5. The LEA shall ensure that for each service rendered documentation, consistent with the requirements of the AHCCCS Medical Policy Manual and the AHCCCS Fee-For-Service Provider Manual, is maintained to establish the date of service, the type of service, the identity of the provider, and the medical necessity of the service.
- C. Fee for Service Reimbursement for Services Provided Prior to July 1, 2000. The Administration will pursue approval from with the U.S. Department of Health and Human Services, Health Care Financing Authority ("HCFA") for a methodology for payments to LEAs on a fee-for-service basis for Medicaid services rendered prior to July 1, 2000. Once approved by HCFA, the Administration will establish a payment methodology for such services.
- D. Reimbursement from Contractors. In compliance with 20 U.S.C. 1412(a)(12)(B)(ii), if a Contractor fails to provide a medically necessary qualifying service to a qualified child (other than the services set forth in Section 11 Paragraph B) after a request for the service has been made, and the LEA provides or pays for these services, an LEA may file a claim for reimbursement with the responsible Contractor. If the Contractor denies payment of the claim, the LEA may grieve the denial in accordance with Section IV of this Agreement.
- E. Payment Recoupment. LEAs shall reimburse the Administration upon demand or the Administration may deduct from future payments to the LEA any amount:
1. For which the LEA's books, records, and other documents are not sufficient to clearly confirm that those amounts were used by the LEA to deliver qualifying services listed in Appendix A (or amendments to the AHCCCS Medical Policy Manual related to Medicaid Services in the public schools) to qualified children or which fail to conform with federal requirements as specified in 45 CFR Part 74;
  2. Sustained as an audit exception resulting from a financial statement audit or an audit conducted in accordance with the Single Audit Act of 1984; or
  3. Determined by the federal government to be unallowable, deferred or disallowed for any reason.

#### **IV. Disputes**

The LEA may grieve the denial of a claim for reimbursement or recoupment of an overpayment by the Administration, the Third Party Administrator, or a Contractor, in accordance with AAC R9-22-801 et seq.

#### **V Responsibilities for Coordination of Services**

- A. ADOE: The ADOE is responsible for ensuring that:
1. LEAs are aware of the terms and conditions of this IGA; and
  2. The State maintains the level of financial effort as required by 34 CFR 300.153 and 34 CFR 300.154.

—

# **GENERAL PROVISIONS**

- B. LEA: The LEA is responsible for:
- I. Verifying whether the child has been determined eligible for Title XIX services through the Administration's EVS/IVR system and for any cost associated with the use of the EVS/IVR system;
  2. Coordinating the delivery of care with other health care providers treating the qualifying child in accordance with the AHCCCS Medical Policy Manual; and
  3. Ensuring compliance with the Federal Education Rights and Privacy Act and obtaining any necessary consent to release information to the Administration, the Contractor, and other treating health care providers.
  4. Ensuring that any services terminated, suspended, or reduced by the LEA are continued pending a hearing decision, if a request for an expedited hearing and for continuation of services pending the hearing is filed by or on behalf of a qualifying child, pursuant to Arizona Administrative Code R9-22-1301 *et seq.*

## **Miscellaneous Terms**

- A. Documentation and Records. Each LEA and each provider shall maintain books and records relating to qualifying services provided. Records shall include but not be limited to financial records, records relating to quality of care, medical records, and other records specified by the Administration. Each LEA and each provider shall preserve and make available all records for a period of five years from the date of service except that for records related to a grievance, dispute, litigation or settlement of claims arising out of this Agreement, or costs, claims, or expenses of this Agreement to which exception has been taken by the Administration shall be retained for five years from the final disposition or resolution thereof.
- B. Confidentiality. Each LEA and each provider shall maintain the confidentiality of medical records and other member specific information received through the AHCCCS Administration in accordance with applicable State and Federal laws and regulations and the AHCCCS Medical Policy Manual.
- C. Audit and Inspection. Each LEA and each provider shall make available at its office at all reasonable times during the period set forth in paragraph A of this Section any of its records for inspection, audit or reproduction by any authorized representative of the Administration, or the State of federal government.
- D. Amendments. Amendments to this Agreement shall be in writing and signed by the parties.
- E. Non-discrimination. The parties shall comply with State Executive Order 994, which mandates that all persons, regardless of race, color, religion, sex, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act.
- F. Termination. This Agreement may be terminated by any party to the Agreement upon 90 days notice; however, the parties recognize that in the absence of this agreement some other mechanism shall be in place to assure compliance with the terms of IDEA as they relate to the coordination of special education and Medicaid services.
- G. Termination for Conflict of Interest. Either the Administration or the ADOE may cancel this contract without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement is in effect any employee of or a consultant to, any other party to this agreement with respect to the subject matter of this Agreement. The cancellation shall be effective when the party receives written notice of the cancellation unless the notice specifies a later time.
- H. Duration. This Agreement becomes effective on the date it is signed by all parties and filed with the Secretary of State's Office and continues on a year to year basis unless terminated by one of the parties.

## SERVICES FOR MEDICAID COVERED THERAPIES IN ARIZONA PUBLIC SCHOOLS

### PHYSICAL THERAPY

Service Code
<u>97001</u> - Physical therapy evaluation,
<u>97002</u> - Physical therapy re-evaluation.

### OCCUPATIONAL THERAPY

Service Code
<u>97003</u> - Occupational therapy evaluation
<u>97004</u> - Occupational therapy re-evaluation

### REHABILITATION SERVICE CODES

(Used for both Physical Therapy and Occupational Therapy)

Service Code
<u>97010</u> - Application of a modality to one or more areas; hot or cold packs
<u>97110</u> - Therapeutic procedure, one or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility.
<u>97112</u> - Neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and proprioception
<u>97116</u> - Gait training (includes stair climbing)
<u>97124</u> - Massage, including effleurage, petrissage and/or tapotement (stroking, compression, and percussion).
<u>97139</u> - Unlisted therapeutic procedure (specify)
<u>97140</u> - Manual therapy techniques (e.g., mobilization/manipulation, etc.) one or more regions, each 15 minutes.
<u>97150</u> - Therapeutic procedure(s), group (2 or more).
<u>97520</u> - Prosthetic training, upper and/or lower extremities, each 15 minutes.

*continued on next page*

**Rehabilitation Service Codes (Continued)**

<u>97530</u> - therapeutic activities direct (one on one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
<u>97542</u> - Wheelchair management/propulsion training each 15 minutes
<u>97750</u> - Physical performance test or measurement (e.g. musculoskeletal functional capacity), with written report, each 15 minutes
<u>97770</u> - Development of cognitive skills to improve attention, memory, problem solving; includes compensatory training and/or sensory integrative activities, direct (one on one) patient contact by the provider; each 15 minutes.
<u>97799</u> - Unlisted physical medicine/rehabilitation service or procedure.
<u>97032</u> - Application of a modality to one or more areas; electrical stimulation (manual), each 15 minutes

**SPEECH THERAPY**

Service Code
<u>92506</u> - Evaluation of speech, language, voice, communication, auditory processing, and/or aural rehabilitation status.
<u>92507</u> - Treatment of speech, language, voice, communication, and/or auditory processing disorder (includes aural rehabilitation); individual.
<u>92508</u> - Group, two or more individuals.
<u>92520</u> - Laryngeal function studies.
<u>92525</u> - Evaluation of swallowing and oral function for feeding
<u>92526</u> – Evaluation of swallowing dysfunction and/or oral function for feeding
<u>92510</u> - Aural rehabilitation following cochlear implant (includes evaluation of aural rehabilitation status and hearing, therapeutic services) with or without speech processor programming.